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SENATE BILL 606

By Cooper

AN ACT to amend Tennessee Code Annotated, Title 33; Title 56 and Title 71, relative to behavioral health organizations.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 32, Part 2, is amended by adding the following new section:

56-32-237. No behavioral health organization, or representative thereof, may cause or knowingly permit the use of advertising that is untrue or misleading, solicitation that is untrue or misleading, or any form of evidence of coverage which is deceptive. For the purpose of this section:

(a) A statement or item of information shall be deemed to be untrue if it does not conform to fact in any respect that is or may be significant to an enrollee of, or person considering enrollment with, a behavioral health organization;

(b) A statement or item of information shall be deemed to be misleading, whether or not it may be literally untrue, if, in the total context in which such statement is made or such item of information is communicated, such statement or item of information may be reasonably understood by a reasonable person, not possessing special knowledge regarding mental health care coverage, as

indicating any benefit or advantage or the absence of any exclusion, limitation or disadvantage or possible significance to an enrollee of, or person considering enrollment in, a behavioral health organization if such benefit or advantage or absence or limitation, exclusion or disadvantage does not in fact exist; and

(c) An evidence of coverage shall be deemed to be deceptive if the evidence of coverage taken as a whole, and with consideration given to typography and format, as well as language, is such as to cause a reasonable person, not possessing special knowledge regarding behavioral health organizations and evidences of coverage therefor, to expect benefits, services, charges or other advantages that the evidence of coverage does not provide or which the behavioral health organization issuing such evidence of coverage does not regularly make available for enrollees covered under such evidence of coverage.

SECTION 2. This act shall take effect July 1, 2001, the public welfare requiring it.